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C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 002110

SIPDIS

STATE FOR AF/W
STATE FOR EB/ESC/IEC/ENR/BLEVINE
STATE FOR DS/IP/AF
STATE FOR INR/AA
STATE PASS DOE FOR DAS JBRODMAN AND CGAY
STATE PASS TREASURY FOR ASEVERENS AND SRENANDER
STATE PASS DOC PHUEPER
STATE PASS TRANSPORTATION MARAD
STATE PASS EX-IM, OPIC AND TDA

E.O. 12958: DECL: 10/14/2014
TAGS: [EPET](#) [EINV](#) [PGOV](#) [ASEC](#) [NI](#)
SUBJECT: NIGERIA PIPELINE EXPLOSION: NO INJURIES, SMALL
PRODUCTION LOSS FROM PIPELINE EXPLOSION

Classified By: Consul General Brian Browne for Reasons 1.5 (B & D)

Summary

1. (SBU) On 10 October, a leaking Shell crude oil export pipeline which had been vandalized caught fire in the River State. There were no injuries reported. Shell confirms illegal bunkering as the cause of the leak. Shell will cut production by 20,000 barrels a day for a few days while the pipeline is being repaired. The community advocacy group Movement for the Survival of the Ogoni People (MOSOP) has publicly complained about Shell's handling of the leak. MOSOP also claims their representatives and journalists investigating the incident were arrested by the State Security Service.

Bunkering Causes Shell Pipeline Fire; No Injuries

2. (SBU) On 10 October, a Shell crude oil export pipeline linked to Bonny Export Terminal caught fire. The Shell External Relations Director confirmed that bunkering caused the pipeline leak. A hacksaw was used to cut the pipe, which then leaked oil into a nearby pond; someone set the leak point aflame, causing an explosion in the pond. Shell had no reports of any injuries from the incident. Press reported that local youths initially prevented Shell from access to the site; the External Relations Director confirmed Shell has since been able to access the site. In addition to reports of profits gained by bunkering, miscreants often caused fires to create a pretext for environmental and other damage claims against the company, he remarked.

Shell Confirms Small Production Loss; Clean-Up Not Started

3. (SBU) Shell engineers are currently attempting to stop the leak. They are assessing the scope of the clean-up operation, but have not yet begun to clean the spill. Repairs to the pipeline will take a few days. During that period, oil will be diverted to a narrower pipeline, and production cut by 20,000 barrels a day. (Note: Shell produces just over half of Nigeria's 2.3-2.4 million barrels/day, so the loss represents less than 1 percent of Shell's daily output. End note.)

MOSOP Notes Env. Damage, "Inadequate" Shell Response

4. (SBU) The community advocacy group, Movement for the Survival of the Ogoni People (MOSOP), has publicly complained about Shell's handling of the leak. Press reports stated that MOSOP President Mr. Ledum Mitee, alleged "up till now (Tuesday) containment measures had not been taken." He said that oil from the leak had reached a tidal creek and was threatening a large stretch of farmland. Mitee denied that youths prevented Shell from gaining access to the site. A MOSOP representative told us the spillage started on Sunday in at least two points. Presently, the pipeline has been capped and the fire put out. The MOSOP representative stated that the clean up process has not begun, as Shell brought "grossly inadequate" equipment to the site. He said the communities remained calm during the spillage and fire, and never stopped Shell from attending to the situation. MOSOP is also investigating the cause of the spill.

MOSOP: SSS Manhandled Journalists

5. (SBU) The MOSOP representative also stated that on 12 October, while he and two MOSOP colleagues were at the site, they were detained by State Security Service (SSS) for 5 hours. The MOSOP officials said that they were not harmed, but that three journalists who were also arrested had their

cameras seized and were "severely manhandled".

Shell: "Willing to Talk" to Pressure Groups

16. (SBU) The Shell External Relations Director indicted that Shell regards MOSOP as one of a variety of "pressure groups." He indicated Shell's willingness to talk to such community groups, but that the company does not view discussions with them as a substitute for discussions with competent local and state government authorities. He also stated that Shell would be responding to what the company regarded as inaccurate statements by MOSOP in the press.

17. (C) Comment: The leak and fire come at a very inopportune moment. The recent violence around Port Harcourt and the nationwide labor strike have tensions high and have generated skittishness in the international market. The time of the incident might be coincidental. However, it could also be an attempt by one of the militia groups to gain leverage and take action in talks with the Government by reminding Abuja that they have the capacity to realize their threats against production.

BROWNE